

## Moldova

Exchange rate: US\$1.00 equals 12.81 lei.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1956 (state pensions) and 1964 (pensions and allowances for collective farmers).

**Current laws:** 1995 (public employment); 1998 (social insurance pensions), with 2004 amendment; 1999 (social insurance system), with 1999, 2002, 2003, 2004, and 2005 amendments; 2000 (social insurance); and 2001 (pension calculations).

**Type of program:** Social insurance system.

Republics, local authorities, and employers may provide supplementary benefits out of their own budgets.

#### Coverage

Salaried citizens; agricultural workers; self-employed persons; and elected or appointed officials in government, parliament, and the judicial system.

Special systems for members of the armed forces and for employees of the Ministry of Internal Affairs.

#### Source of Funds

**Insured person:** 3% of gross earnings.

There are no minimum earnings for contribution purposes.

The maximum earnings for contribution purposes are equal to three average monthly wages in the industrial sector (1,700 lei in 2006).

The insured's contributions also finance cash benefits for sickness and maternity.

**Self-employed person:** An annual flat-rate contribution of 2,013 lei, regardless of income. Agricultural landowners contribute flat-rate amounts according to the area of farmed land.

The self-employed person's contributions also finance cash sickness and maternity benefits, work injury benefits, unemployment benefits, and family allowances.

**Employer:** 26% of payroll (industrial sector); 20% of payroll (agricultural sector); 4.5% of payroll for pensioners and disabled persons employed in public organizations and unions.

Employers in the industrial sector who are up to date in their contribution payments to the social insurance system may obtain a 2% reduction in the contribution rate, subject to conditions.

There are no minimum earnings for contribution purposes.

The maximum earnings for contribution purposes are equal to three average monthly wages in the industrial sector (1,700 lei in 2006).

The employer's contributions also finance cash benefits for sickness and maternity, work injury, unemployment, and family allowances.

**Government:** Ad hoc flat-rate payments to offset price increases as a result of government reductions in food and fuel subsidies. The total cost of the social pension and pensions for judges, prosecutors, and other specified categories.

#### Qualifying Conditions

**Old-age pension:** Age 62 with 30 years of insurance coverage (men) or age 57 with 30 years of insurance coverage (women).

Age 54 with 30 years of insurance coverage, including at least 10 years in hazardous or arduous conditions (men) or age 49 with 30 years of insurance coverage, including at least 7 years and 6 months in hazardous or arduous conditions (women).

Age 54 with 30 years of insurance coverage for women who have given birth and reared five or more children.

Civil servants who satisfy the coverage qualifying period (30 years of insurance coverage, but including at least 15 years as a civil servant) may receive the pension 5 years before the normal retirement age (age 57 for men and age 52 for women).

**Partial pension:** The insured must have at least 20 years of insurance coverage.

**Early pension:** There is no early pension.

**Deferred pension:** Payable with more than 35 years of insurance coverage. There is no age limit for deferral.

The old-age pension is not payable abroad.

**Social pension (old-age):** Payable to citizens who meet only the age requirement for the old-age pension.

Social pensions are not payable abroad.

**Disability pension:** To receive a full pension the insured must be assessed with a Group I disability (an incapacity for any work and requiring constant attendance) or Group II disability (an incapacity for any work but not requiring constant attendance).

The required insurance coverage period varies according to the insured's age at the onset of disability: 1 year if younger than age 23, 2 years if aged 23 to 26, 3 years if aged 26 to 31, or 5 years if older than age 31.

If the insurance coverage period is less than a year, the insured may receive a social pension.

**Partial disability:** If assessed with a Group III disability (incapacity for usual work), the insured must have a minimum of 1 to 5 years of insurance coverage, depending on his or her age at the onset of disability.

The degree of loss of working capacity is assessed by the Medical Fitness Examining Committee.

The disability pension is not payable abroad.

For a work-related disability, work injury benefits supplement the disability pension provided under Old Age, Disability, and Survivors.

**Social pension (disability):** Payable to disabled persons whose disability began in childhood and to disabled children younger than age 16 who are not eligible for a contributory disability pension.

Social pensions are not payable abroad.

**Survivor pension:** The insured was a pensioner or met the requirements for the old-age (partial or full) pension or disability (Groups I, II, or III) pension.

Eligible survivors include widow(er)s and orphans. The surviving spouse must be of retirement age (or within 5 years of retirement) or disabled (Group I or II) at the time of the insured's death; married to the deceased spouse for at least 15 years; or caring for a child younger than age 3 and not employed. Children must be younger than age 18 (age 23 if a student, no limit if disabled).

The survivor pension is not payable abroad.

**Social pension (survivors):** Payable to survivors who are not eligible for a contributory survivor pension.

Social pensions are not payable abroad.

### **Old-Age Benefits**

**Old-age pension:** The pension is based on the number of years of insurance coverage, the effective date of retirement, and average monthly earnings plus 2% of wages for each year of insurance coverage exceeding 30 years.

The required insurance coverage period is gradually increasing. From 2008, the full pension will be calculated on the basis of 1.2% of insurable earnings for every year of established insurance coverage up to a maximum of 35 years plus 2% of insurable earnings for every year of insurance coverage exceeding 35 years.

Insurable earnings for benefit calculation purposes must not exceed three times the average monthly wage.

The minimum pension is 290.77 lei (March 2006); 258.86 lei for agricultural workers (March 2006).

There is no maximum pension established by law.

**Partial pension:** Paid with at least 20 years but less than 30 years of insurance coverage. The monthly benefit is reduced in proportion to the number of years below the required number of years of insurance coverage.

**Deferred pension:** The pension is increased by 2% of wages for each year of deferral.

**Social pension (old-age):** 61.63 lei (April 2006).

**Benefit adjustment:** Benefits are adjusted in April according to increases in consumer prices and average earnings in the previous year.

### **Permanent Disability Benefits**

**Disability pension:** The pension is based on monthly average insurable income, the number of years of insurance coverage, and a coefficient related to the group of assessed disability.

The coefficient for a Group I disability is 0.42; Group II, 0.35; and Group III, 0.2.

The minimum pension (March 2006) is 206.85 lei (Group I), 199.76 lei (Group II), or 140.66 lei (Group III).

There is no maximum pension established by law.

**Partial pension (total disability):** The monthly benefit is reduced in proportion to the number of years below the required number of years of insurance coverage.

Insurable earnings for benefit calculation purposes must not exceed twice the average monthly national wage in the year before the claim.

**Social pension (disability):** A Group I disabled person receives 73.06 lei a month; Group II, 62.94 lei; Group III, 37.09 lei. A Group I disabled person whose disability began in childhood receives 137.47 lei; Group II, 116.85 lei; Group III, 68.73 lei. A disabled child younger than age 16 receives 137.47 lei (Group I) or 116.85 lei (Group II).

Persons who provide care for a disabled child (Group I) younger than age 16 receive 122.30 lei a month; persons who provide care for a person whose disability (Group I) began in childhood receive 122.30 lei; persons who provide care for a blind disabled person (Group I) receive 150 lei.

**Death grant:** 700 lei.

**Benefit adjustment:** Benefits are adjusted periodically according to changes in the cost of living.

### **Survivor Benefits**

**Survivor pension:** The minimum pension is equal to 50% of the deceased's pension for one survivor, 75% for two, or 100% for three or more.

The survivor pension ceases on remarriage.

**Partial pension:** If the deceased had an insufficient period of insurance coverage, the monthly benefit is reduced in proportion to the number of years below the required number of years of insurance coverage.

**Full orphan's pension:** The minimum orphan's pension is equal to 50% of the deceased's minimum old-age pension, 75% for two, or 100% for three or more.

There is no maximum survivor pension established by law.

**Partial pension:** If the deceased had an insufficient period of insurance coverage, the monthly benefit is reduced in proportion to the number of years below the required number of years of insurance coverage.

**Social pension (survivors):** 49 lei is paid for one orphan; 98 lei for two or more orphans. The pension is doubled for full orphans.

**Benefit adjustment:** Benefits are adjusted periodically according to changes in the cost of living.

### **Administrative Organization**

Ministry of Health and Social Protection (<http://www.ms.md>) provides general coordination and supervision.

National Office of Social Insurance (<http://www.cnas.md>) and local social security departments administer the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1993.

**Current laws:** 1995 (health protection); 1997 (prenatal care); 1999 (family planning); and 1999 (social insurance system), with 1999, 2001, 2002, 2003, 2004, and 2005 amendments.

**Type of program:** Social insurance system.

#### **Coverage**

**Cash sickness and maternity benefits:** Salaried citizens; agricultural workers; self-employed persons; elected or appointed officials in government, parliament, and the judicial system; disabled persons; and unemployed persons.

**Medical benefits:** All persons residing in Moldova.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors, above.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors, above.

**Employer:** See source of funds under Old Age, Disability, and Survivors, above.

**Government:** See source of funds under Old Age, Disability, and Survivors, above. The total cost of medical care.

### **Qualifying Conditions**

**Cash sickness and maternity benefits:** Insured persons residing in Moldova.

**Child care allowance (medical leave):** Payable to provide care for a sick child younger than age 7; younger than age 16 for a disabled child with a short-term incapacity that is not the result of, or related to, the assessed disability.

**Medical benefits:** All persons residing in Moldova.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The benefit depends on the length of covered employment. If the insured has less than 5 years of covered employment, the benefit is equal to 60% of average earnings; with 5 to 8 years, 80%; or for more than 8 years, 100%. The benefit is payable from the first day of sickness for up to 4 months; may be extended in certain cases for up to 30 days.

Average earnings are based on earnings in the last 6 months before the onset of the incapacity; if the working period is less than 6 months, average earnings are based on the full calendar months worked within the period; if less than a calendar month is worked, average earnings are based on the total hours worked; if no earnings have been received within the last 6 months, the benefit is calculated according to a reference wage established for each particular job.

**Sick childcare allowance (medical leave):** The allowance is calculated in the same way as the sickness benefit, above.

**Death grant:** 700 lei.

**Maternity benefit:** The benefit is equal to 100% of average earnings. The benefit is paid from the 30th week of pregnancy and is paid for 126 days. Additional leave of 14 days is provided for multiple births or for complications resulting from childbirth.

For the adoption of a child, the benefit is paid for 56 days after the date of adoption.

Average earnings are based on earnings in the last 6 months before the onset of the incapacity; if the working period is less than 6 months, average earnings are based on the full calendar months worked within the period; if less than a calendar month is worked, average earnings are based on the total hours worked; if no earnings have been received within the last 6 months, the benefit is calculated according to a reference wage established for each particular job.

### **Workers' Medical Benefits**

Medical care is provided by the state. Free hospital treatment is provided for a limited number of days.

**Cost sharing:** The insured makes a minimal contribution toward the cost of some medical care.

There is no limit to duration.

### **Dependents' Medical Benefits**

Medical care is provided by the state. Free hospital treatment is provided for a limited number of days.

Cost sharing: The insured makes a minimal contribution toward the cost of some medical care.

There is no limit to duration.

### **Administrative Organization**

Ministry of Health and Social Protection (<http://www.ms.md>), with local authorities and the trade unions, supervises the provision of medical care.

Ministry of Health, National Agency of Health Insurance (<http://www.atchisinau.com.md>), and local health departments administer medical services provided through clinics, hospitals, and other facilities.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1991 (labor protection).

**Current laws:** 1993 (occupational diseases); 1997 (work injury); 1999 (work injury and occupational diseases insurance), with 2001 and 2004 amendments; 2001 (work injury allowances); and 2005 (disability assessment).

**Type of program:** Social insurance (cash benefits) and universal (medical care) system.

Local authorities and employers may provide supplementary pension benefits out of their own budgets.

Note: For a work-related disability, work injury benefits supplement the disability pension provided under Old Age, Disability, and Survivors, above.

#### **Coverage**

**Cash and medical benefits:** Employed persons, members of cooperatives, students, and persons undergoing professional training.

Voluntary coverage for self-employed persons.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors, above.

**Employer:** See source of funds under Old Age, Disability, and Survivors, above.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** The worker must be insured and the onset of disability must result from work; vocational training; participation in social, cultural, or sporting events organized by the employer; or travel between different places of work (including abroad) if related to work.

### **Temporary Disability Benefits**

The benefit varies according to the insured's assessed degree of disability. The benefit for a Group I or Group II disability is based on the difference between the level of disability benefit provided under Old Age, Disability, and Survivors, above, and 2/3 of average earnings in the last 6 months before the onset of disability. For a Group III disability, the benefit is a percentage of the Group II amount corresponding to the degree of loss of working capacity.

A Group I disability is classified as an incapacity for any work and requiring constant attendance; Group II, an incapacity for any work but not requiring constant attendance; and Group III, an incapacity for usual work.

The benefit is payable from the first day of the incapacity until recovery or the award of a disability pension, for up to a maximum of 180 days.

The degree of loss of working capacity is assessed by the Medical Fitness Examining Committee.

**Employment transfer reimbursement:** The difference between the average monthly wage in the last 6 months and the average wage received in the new position of employment. The benefit is paid for 90 days.

### **Permanent Disability Benefits**

**Permanent disability pension:** The pension is paid according to the insured's income before 1999 and three groups of assessed disability: Group I is classified as an incapacity for any work and requiring constant attendance; Group II, an incapacity for any work but not requiring constant attendance; and Group III, an incapacity for usual work.

The degree of loss of working capacity is assessed by the Medical Fitness Examining Committee.

**Death grant:** A lump sum is paid depending on the category and number of dependents but must not exceed 24 national average monthly wages.

### **Workers' Medical Benefits**

Medical services are provided directly to patients by government health providers and include general and specialist care, hospitalization, laboratory services, and transportation, plus the full cost of appliances and medicines.

## Survivor Benefits

**Survivor pension:** At least 50% of the deceased's pension is paid for one survivor, 75% for two, and 100% for three or more.

Partial pension: If the deceased had an insufficient period of insurance coverage, the monthly benefit is reduced in proportion to the number of years below the required number of years of insurance coverage.

The survivor pension ceases on remarriage.

The maximum pension must not exceed 24 times the national average monthly wage.

**Full orphan's pension:** At least 50% of the deceased's minimum old-age pension is paid.

Partial pension: If the deceased had an insufficient period of insurance coverage, the monthly benefit is reduced in proportion to the number of years below the required number of years of insurance coverage.

The maximum pension must not exceed 24 times the national average monthly wage.

## Administrative Organization

Enterprises and employers pay temporary disability benefits for their employees.

National Office of Social Insurance (<http://www.cnas.md>) provides coordination and supervises the Work Injury Fund.

Local government health departments of the Ministry of Health and Social Protection (<http://www.ms.md>) provide general supervision and coordinate pensions and medical benefits.

Local government health departments of the Ministry of Health and Social Protection (<http://www.ms.md>) administer medical services provided through clinics, hospitals, and other facilities.

## Unemployment

### Regulatory Framework

**First and current laws:** 1997; 1999; 2002, with 2003 and 2005 amendments; 2003; 2004; and 2005.

**Type of program:** Social insurance system.

### Coverage

Citizens aged 16 to 62 (men) or aged 16 to 57 (women) with a permanent address in Moldova and who are capable of work, including self-employed persons.

## Source of Funds

**Insured person:** None.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors, above.

**Employer:** See source of funds under Old Age, Disability, and Survivors, above.

**Government:** None.

## Qualifying Conditions

**Unemployment benefit:** Must be registered at an employment office and be willing and able to work. Benefits may be reduced, postponed, suspended, or terminated if the worker is discharged for violating work discipline, leaving employment without good cause, violating conditions for a job placement or vocational training, or filing fraudulent claims.

Claimants must have no income and have been salaried for at least 12 months in the last 24 months before unemployment. Waiting periods apply for some categories of worker: 2 months for the involuntarily unemployed, 60 days for recently graduated students, or 30 days for persons who have completed military service.

Self-employed persons must register as unemployed, have at least 6 months of previous covered employment in the last 24 months before the date of registration, and not have taxable income according to the law. A self-employed person is also covered if their license to operate a business is revoked.

## Unemployment Benefits

If employed previously for up to 5 years, the benefit is equal to 50% of the national average wage and is paid for a maximum of 6 months; if previously employed for 5 to 10 years, 55% is paid for a maximum of 9 months; with more than 10 years of employment, 60% is paid for a maximum of 12 months.

Supplements for families with children: 10% of the national average wage is paid for one or two children; 20% for three or more children.

Benefit adjustment: Benefits are adjusted every January according to changes in the average national wage of the previous year.

## Administrative Organization

Department of Employment in the Ministry of Health and Social Protection (<http://www.ms.md>) provides general supervision.

State Employment Agency administers the program.

## Family Allowances

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### Regulatory Framework

**First law:** 1977.

**Current laws:** 1992 (children), with 2003 amendment; 1993 (children and family protection), with 2003 and 2005 amendments; 1999 (social insurance benefits), with amendments; 2002 (family allowances), with amendments; and 2004 (temporary disability allowances), implemented in 2005, with amendments.

**Type of program:** Social insurance and social assistance system.

### Coverage

Families with children residing in Moldova.

### Source of Funds

**Insured person:** None.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors, above.

**Employer:** See source of funds under Old Age, Disability, and Survivors, above.

**Government:** None.

### Qualifying Conditions

**Family allowances:** Payable for children younger than age 16 (age 18 if a student). Other qualifying conditions vary according to benefits. For children older than 18 months of age, the benefit is means tested. The monthly income for each family member, including children, must not exceed 18 lei; for families with at least three children, 27 lei; for single mothers, 54 lei.

Allowances for handicapped children: Payable for children younger than age 16 on the basis of a decision made by the Medical Consultative Council.

Family allowances (social assistance): Means-tested assistance is payable for children aged 3 to 16.

Birth grant: Payable for each live birth, regardless of family income.

Child-rearing allowance: Payable from the birth of a child up to age 3. The allowance is payable to an insured person who is on child-rearing leave or to another eligible person (a parent, grandparent, or other relative or guardian, regardless of family income). The allowance is also payable to noninsured persons.

## Family Allowance Benefits

### Family allowances (social insurance)

The calculation of social insurance benefits depends on monthly average income in the last 6 months.

**Family allowance:** For an insured person's child up to age 18 months, the allowance is equal to 20% of any other social security benefits in payment but not less than 100 lei; for a noninsured person's child up to age 18 months, 100 lei; for a child older than 18 months, 50 lei a month (means tested).

**Allowances for handicapped children:** 179 lei (social allowance), plus 122.30 lei (care allowance) for disabled children with a Group I disability; 152 lei (social allowance) for children with a Group II or III disability.

**Single mother allowance:** 50 lei.

**Birth grant:** 800 lei.

**Child-rearing allowance:** 20% of reference earnings, but not less than 100 lei.

### Family allowances (social assistance)

To calculate the monthly family allowance for a child, average monthly income in the previous semester for each family member must not have exceeded 54 lei.

**Children under guardianship (means-tested):** Up to 90 lei a month, depending on family income.

**Adopted children (means-tested):** Up to 18 lei a month, depending on family income.

**Preschool children in care (means-tested):** Up to 180 lei a month, depending on family income.

**School-age children in care (means-tested):** Up to 200 lei a month, depending on family income.

**Orphan benefit (means-tested):** Up to 55.08 lei a month for orphans younger than age 18 (age 23 if a student) whose deceased parents were not entitled to a social security pension; 110.15 lei for full orphans.

### Administrative Organization

Ministry of Health and Social Protection (<http://www.ms.md>) provides general supervision.

Local departments of social security administer benefits to nonworking parents.

Enterprises and employers award benefits and provide payments to their own employees.